

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER)
COMPANY FOR (1) AUTHORITY TO MODIFY)
CERTAIN EXISTING DEMAND-SIDE)
MANAGEMENT PROGRAMS; (2) AUTHORITY TO)
IMPLEMENT NEW PROGRAMS; (3) AUTHORITY)
TO DISCONTINUE CERTAIN EXISTING DEMAND-)
SIDE MANAGEMENT PROGRAMS;)
(4) AUTHORITY TO RECOVER COSTS AND)
NET LOST REVENUES, AND TO RECEIVE)
INCENTIVES ASSOCIATED WITH THE)
IMPLEMENTATION OF THE PROGRAMS;)
AND (5) ALL OTHER REQUIRED APPROVALS)
AND RELIEF)

CASE NO.
2015-00271

ORDER

On March 30, 2016, Kentucky Power Company (“Kentucky Power”) filed a motion for rehearing to clarify the Commission’s March 11, 2016 final Order concerning the rebate limit proposed under the Retro-Commissioning Program. Kentucky Power points out that page 8 of the March 11, 2016 Order sets forth a description of the Retro-Commission Program and indicates that qualifying customers under this program could receive rebates up to \$100,000. In its rehearing motion, Kentucky Power states that Applied Energy Group, which performed a Market Potential Study and a Demand Side Management Program Plan on behalf of Kentucky Power, recommended limiting rebates provided under the Retro-Commissioning Program to \$100,000 per qualifying customer. Kentucky Power informs that after careful consideration and analysis, it modified the Retro-Commissioning Program rebate cap to \$50,000 per customer

account, which amount would track closely to Kentucky Power's forecasted annual incentive budget. Kentucky Power notes the \$50,000 rebate limit was reflected in the proposed Retro-Commissioning tariff attached as page 15 of 21 of Exhibit 7 to its application. Accordingly, Kentucky Power requests that the Commission grant rehearing and confirm, or clarify, the March 11, 2016 Order to the extent required, that rebates under the Retro-Commissioning Program are limited to \$50,000 per customer account.

In accordance with directives of the March 11, 2016 Order, Kentucky Power filed its tariff sheets on March 21, 2016, including Original Tariff Sheet 22-12 which contains the \$50,000 per customer account limitation on rebates under the Retro-Commissioning Program as set forth in Exhibit 7 to Kentucky Power's application. Accordingly, Kentucky Power requests that its tariff sheets as filed on March 21, 2016 be approved, including Original Sheet 22-12.

Having reviewed the motion and being otherwise sufficiently advised, the Commission finds that Kentucky Power has established good cause to grant a rehearing of the Commission's March 11, 2016 Order to address an ambiguity regarding the rebate limits of the Retro-Commissioning Program. The Commission finds that Kentucky Power has provided a reasonable explanation that the proposed rebate limit as set forth in the March 11, 2016 Order should have reflected an amount of \$50,000 per customer account.

IT IS HEREBY ORDERED that:

1. The Kentucky Power's motion for rehearing is granted.

2. The two paragraphs next to the last paragraph on page 8 of our March 11, 2016 Order are amended to state as follows:

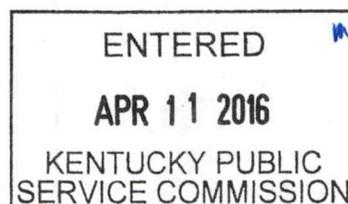
RCx Lite: Qualifying customers agree to spend at least \$5,000 on recommendations that yield a payback within 18 months or less. Customers receive rebates of \$0.12 per kilowatt hour ("kWh") saved in the first year, up to \$50,000 per customer account.

RCx Standard: Qualifying customers agree to spend at least \$15,000 on recommendations that yield a payback within 18 months or less. Customers receive rebates of \$0.08 per kWh saved in the first year, up to \$50,000 per customer account.

3. Kentucky Power's submission of its revised tariff sheets in accordance with the directive of the March 11, 2016 Order shall be reviewed and processed pursuant to the Commission's electronic Tariff Filing System protocol consistent with the March 11, 2016 Order and as amended herein.

4. All other provisions of the March 11, 2016 Order that are not in conflict with the terms of this Order shall remain in full force and effect.

By the Commission



ATTEST:


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